

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS	WELL LOG	EXPLORATION	FILE X	WATER SANDS	LOCATION INSPECTED	SUB REPORT NO.
<p><i>1st NAVAJO CANYON 3C #1 EFF. 5 17 91</i></p>						
DATE FILED	7-30-90		STATE SEAL NO.		PUBLIC CASE NO.	INDEX 8702-1116
LAND FEE & PATENTED	9-17-90 (Exception Location)		SPURSED IN		COMPLETED	
INITIAL PRODUCTION	GRANT API		GOM		PRODUCING ZONES	
TOTAL DEPTH	WELL ELEVATION		DATE ABANDONED		FIELD	
UNIT		COUNTY		WELL NO.		API NO.
LOCATION		FE FROM W/1 LINE		FE FROM (F) W/1 LINE		NE NW
TWP		AGE	SEC	TWP		AGE
OPERATOR		TWP		AGE		SEC
OPERATOR		TWP		AGE		SEC

40S

25E

3

CHUSKA ENERGY CO.



CHUSKA ENERGY COMPANY

315 N BEHREND • FARMINGTON, NEW MEXICO 87401 • PHONE (505) 326 5525

P.O. BOX 780 • FARMINGTON, NEW MEXICO 87499

RECEIVED
JUL 30 1990

27 July, 1990

DIVISION OF
OIL, GAS & MINING

State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Building, Suite 350
Salt Lake City, Utah 84180-1203

Ref: Application for Permit to Drill
SE Navajo Canyon 3C-1 Well, San Juan County, Utah

Gentlemen

Attached for your examination and approval is the original and two copies of an Application for Permit to Drill the SE Navajo Canyon 3C Well No. 1 in San Juan County, Utah. This well will be drilled as part of an ongoing exploration program.

The location for this well falls outside the guidelines for the State of Utah spacing requirements. However, the location has been sited so as to allow the well bore to penetrate geological structures which have been identified by seismic interpretation. We therefore apply for an exception to the General State Spacing requirements. Chuska Energy controls the acreage surrounding the proposed site, as indicated on the attached land plat.

Please advise if you require additional information concerning this application. Chuska will greatly appreciate your prompt consideration.

Sincerely,

Larry G. Sessions
Larry G. Sessions
Operations Manager

LGS/csw
File: C:\WP\SENAVCAN.3C\APDCOVER

encl.

OIL AND GAS	
DFN	RJF
2 JFB ✓	GH
DIS	SLB
1-TAS	
2-TAS	
5-TA	
6 -	MICROFILM
7 -	FILE

RECEIVED

JUL 30 1990

**STATE OF UTAH
DIVISION OF OIL, GAS AND MINING**

**DIVISION OF
OIL, GAS & MINING**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. Type of Well: **DRILL** ☒ **DEEPEN** ☐ **PLUG BACK** ☐

2. Name of Operator: **Chuska Energy Company**

3. Address of Operator: **P.O. Box 780, Farmington, New Mexico 87499**

4. Location of Well (Show location clearly and in accordance with any state requirements):
240' FNL, 1,570' FWL

5. Distance to nearest town or well: **Same**

6. Distance from proposed location to nearest: **4,945' GR**

7. Distance from proposed location to nearest: **6,025' GR (Kerr)**

8. Distance from proposed location to nearest: **6,025' GR (Kerr)**

9. Distance from proposed location to nearest: **6,025' GR (Kerr)**

10. Distance from proposed location to nearest: **6,025' GR (Kerr)**

11. Distance from proposed location to nearest: **6,025' GR (Kerr)**

12. Distance from proposed location to nearest: **6,025' GR (Kerr)**

13. Distance from proposed location to nearest: **6,025' GR (Kerr)**

14. Distance from proposed location to nearest: **6,025' GR (Kerr)**

15. Distance from proposed location to nearest: **6,025' GR (Kerr)**

16. Distance from proposed location to nearest: **6,025' GR (Kerr)**

17. Distance from proposed location to nearest: **6,025' GR (Kerr)**

18. Distance from proposed location to nearest: **6,025' GR (Kerr)**

19. Distance from proposed location to nearest: **6,025' GR (Kerr)**

20. Distance from proposed location to nearest: **6,025' GR (Kerr)**

21. Distance from proposed location to nearest: **6,025' GR (Kerr)**

22. Distance from proposed location to nearest: **6,025' GR (Kerr)**

1. Name of Lessee: **Navajo Tribal**

2. Name of Lessee: **SE Navajo Canyon 3C**

3. Name of Lessee: **Wildcat**

4. Name of Lessee: **S3 T40S R25E**

5. Name of Lessee: **San Juan**

6. Name of Lessee: **Utah**

7. Name of Lessee: **10-15-90**

8. Name of Lessee: **10-15-90**

9. Name of Lessee: **10-15-90**

10. Name of Lessee: **10-15-90**

11. Name of Lessee: **10-15-90**

12. Name of Lessee: **10-15-90**

13. Name of Lessee: **10-15-90**

14. Name of Lessee: **10-15-90**

15. Name of Lessee: **10-15-90**

16. Name of Lessee: **10-15-90**

17. Name of Lessee: **10-15-90**

18. Name of Lessee: **10-15-90**

19. Name of Lessee: **10-15-90**

20. Name of Lessee: **10-15-90**

21. Name of Lessee: **10-15-90**

22. Name of Lessee: **10-15-90**

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12 1/4"	8 5/8"	24 lb	500'	371 sz 'Q' + 2% CaCl ₂
7 7/8"	5 1/2"	15.5 lb	6,025'	651 sz 'Q', 65.35 Poz + 6% Gel

Refer attached 10-Point Drilling Plan etc.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Also blowout preventer program, if any.

I hereby certify that this report is true and complete to the best of my knowledge.

Signed: [Signature] Title: Petroleum Engineer Date: 27 July, 1990

(This space for Federal or State office use)

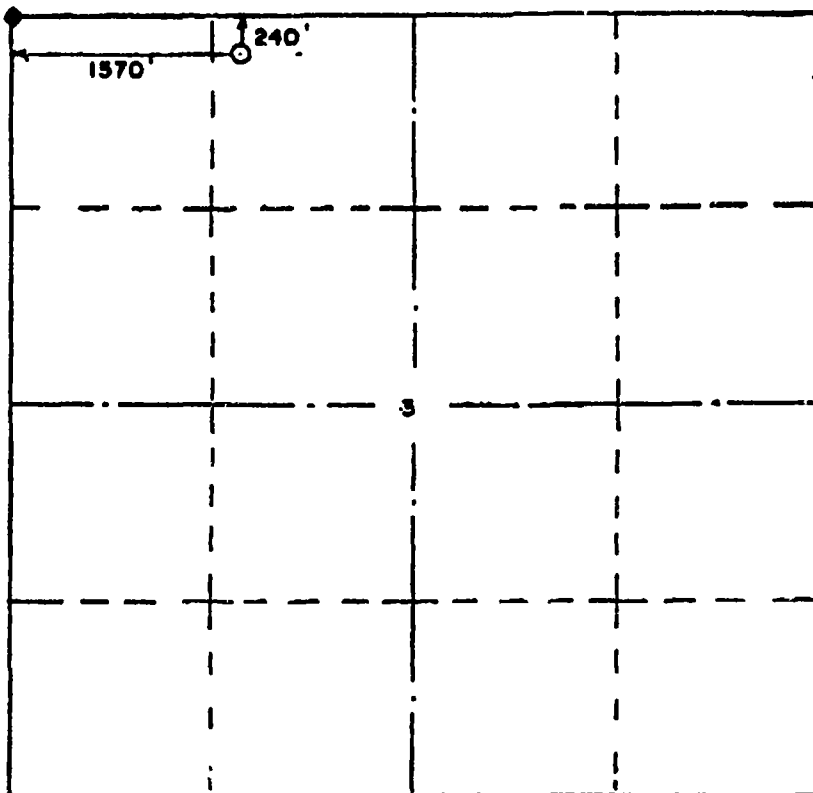
API No: 43-037-31551 Approval Date: 9-17-90

Approved by: [Signature] Title: DATE: 9-17-90

Conditions of approval, if any: WELL SPACING RW5 3-3

*See Instructions On Reverse Side

WELL LOCATION AND ACREAGE DEDICATION PLAT



WELL LOCATION DESCRIPTION:

CHUSKA ENERGY COMPANY, S.E. Navajo Canyon 3 - C - 1

240' FWL & 1570' FWL

Section 3, T.40 S., R.25 E., SLM

San Juan, UT.

4945' ground elevation

State plane coordinates from seismic control:

x = 2,679,527

y = 255,305

The above plat is true and correct to my knowledge and belief.

12 July 1990

Gerald G. Hurd



CHUSKA ENERGY COMPANY

10 POINT DRILLING PLAN

SE Navajo Canyon 3C Well No. 1
Section 3, Township 40S, Range 25E
240' FNL, 1,570' FWL
San Juan County, Utah

1. SURFACE FORMATION

Geological name of surface formation: Morrison

2. ELEVATION

Surface elevation is 4,945' GR.

3. ESTIMATED FORMATION TOPS

<u>Depth</u>	<u>Formation</u>	<u>Sub Sea Elevation</u>	
Surface	Morrison	+ 4,945'	
1,015'	Navajo	+ 3,930'	
1,645'	Chinle	+ 3,300'	
2,745'	DeChelly	+ 2,200'	
2,875'	Organ Rock	+ 2,070'	
3,555'	Cedar Mesa	+ 1,390'	
4,670'	Hermosa	+ 275'	
5,605'	Upper Ismay	- 660'	
5,720'	Lower Ismay	- 775'	
5,795'	Desert Creek	- 850'	Primary Objective
5,975'	Akah	- 1,030'	
6,025'	Total Depth	- 1,080'	

4. PROPOSED CASING/CEMENTING PROGRAM

	<u>Depth</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Coupling</u>
Surface	500'	8 5/8"	24 lb	K-55	STC
Production:	6,025'	5 1/2"	15.5 lb	K-55	STC

Surface Cementing:

371 sx (427 ft³) Class 'G' cement with 2% CaCl₂ and 1/4 lb/sk Celloflake. Weight = 15.8 ppg, yield = 1.15 ft³/sk. Slurry volume will be calculated at 100% excess over annular volume.

Production Cementing:

First Stage

T.D. to 3,500' (stage collar @ \pm 3,500'). Lead with 180 sx Class 'G' cement, 65:35 Pozmix, with 6% gel and 1/4 lb/sk Celloflake. Weight = 12.7 ppg, yield = 1.85 ft³/sk. Tail with 100 sx Class 'G' cement with 2% CaCl₂. Weight = 15.8 ppg, yield = 1.15 ft³/sk. Total of 448 ft³.

Second Stage

3,500' to surface. Lead with 271 sx Class 'G' cement, 65:35 Pozmix with 6% gel and 1/4 lb/sk Celloflake. Weight = 12.7 ppg, yield = 1.85 ft³/sk. Tail with 100 sx Class 'G' cement with 2% CaCl₂. Weight = 15.8 ppg, yield = 1.15 ft³/sk. Total of 616 ft³.

Note: Exact slurry volumes for the production string will be adjusted according to the caliper log which will be run prior to cementing. Special adjustments may be necessary if significant amounts of salt are dried.

5. BLOWOUT PREVENTER (See attached schematics)

As abnormal pressure is not anticipated, a 2,000 psi BOP system would be sufficient for the drilling of this well. However, due to availability constraints, a 3,000 psi system will be used, as per the attached Exhibits "A" and "B". This will be a 10" x 900 Series double ram preventer, equipped with a set of pipe and blind rams.

An accumulator system, with a pressure capacity sufficient to operate the rams three complete cycles without rig power, will be required as part of the rig equipment.

6. PROPOSED MUD PROGRAM

Surface to 3,500'

Fresh water, gel, lime and native solids. Weight 8.3 - 8.7 ppg. Gel/lime sweeps as necessary for hole cleaning.

3,500' to T.D.

Low solids, non-dispersed polymer system. Weight 8.6 - 9.5 ppg. Gel/lime sweeps as hole conditions dictate for hole cleaning. Fluid loss to be maintained at 15 ~ 20 cc. Fluid loss to be further reduced to 15 cc or less prior to coring, logging or DSTs.

7. AUXILIARY EQUIPMENT

- A. A kelly cock will be installed during drilling operations, with handle available on the rig floor.
- B. Floor (stabbing) valves will be available, on the rig floor at all times, with necessary subs to fit all of the drilling assemblies.
- C. Mud will be the circulating fluid. No abnormal formation pressures are expected.

8. WELL EVALUATION

Open hole electric logging program will consist of a minimum program of DLL-MSFL-SP-GR-Cal, FDC-CNL-GR-Lithodensity from T.D. to 4,500'.

Drill stem testing will be as per the wellsite geologist's recommendations, based on shows. A mud logging unit will be utilized during drilling operations from at least 500' above the Ismay.

9. ABNORMAL PRESSURES/GAS

Abnormal pressures are not anticipated. Monitoring of gas and hydrocarbon shows will be by wellsite mud logging unit. H₂S gas is not anticipated, however regular checks will be made while drilling the well.

10. TIMING

The drilling and evaluation of this well is estimated to be 23 days. Anticipated spud date is 10-15-90.

EXHIBIT "A"
BLOWOUT PREVENTER

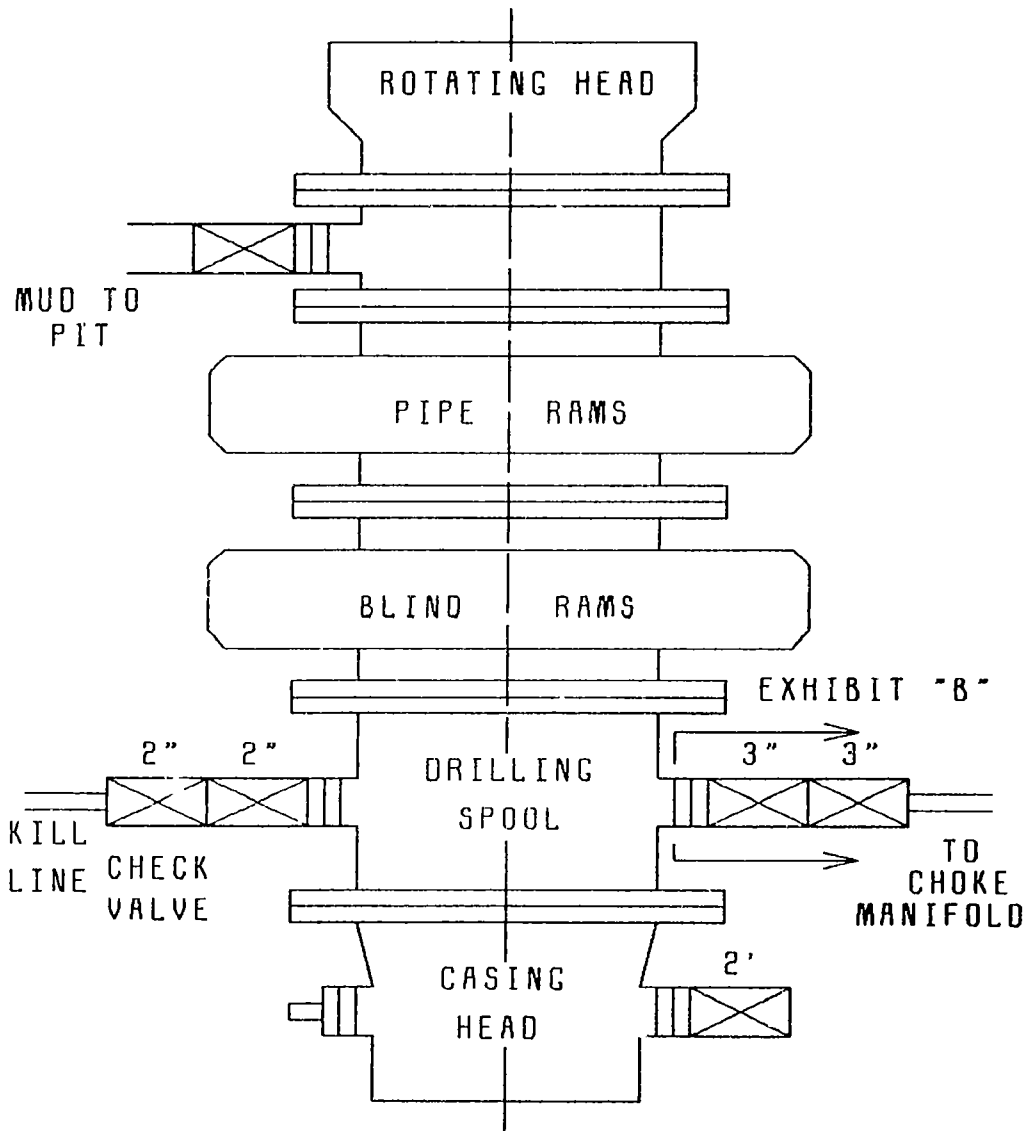
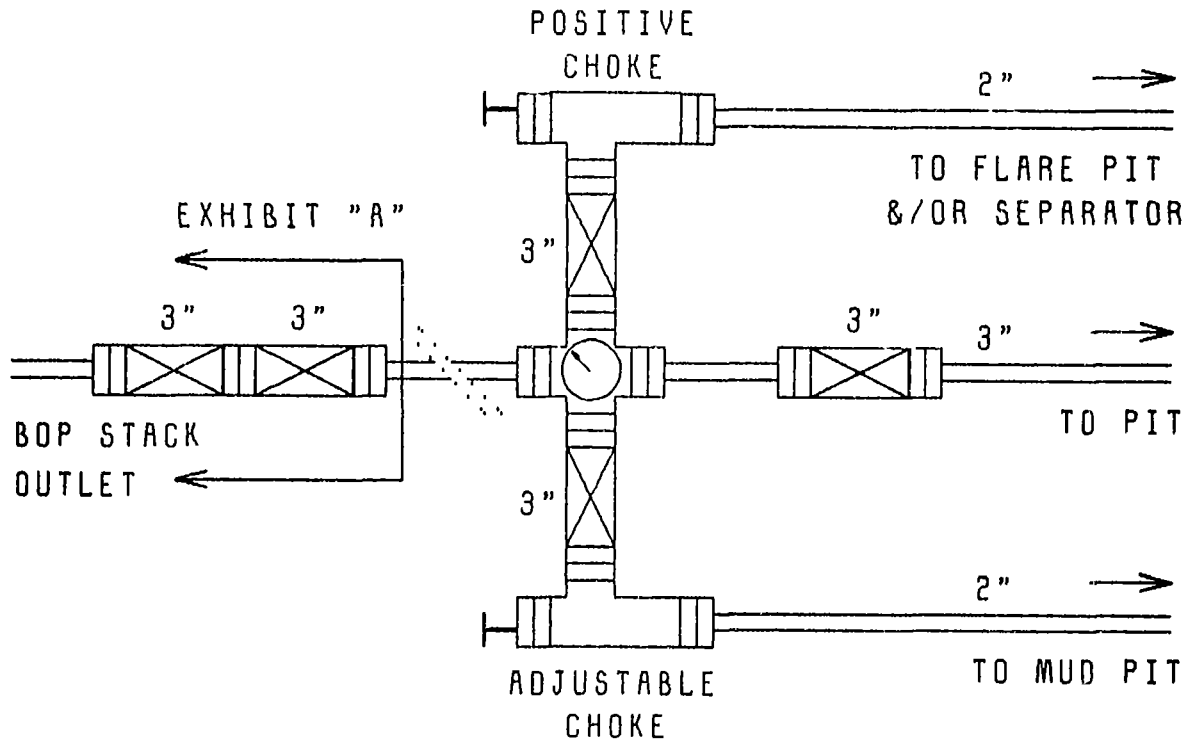


EXHIBIT "B"
CHOKE MANIFOLD



DETAILED DRILLING PROGRAM

DATE: 27 July, 1990

WELL NAME: SE Navajo Canyon 3C WELL NO.: 1

LOCATION: Section 3, Township 40S, Range 25E
240' FNL, 1,570' FWL
San Juan County, Utah

ELEVATION: 4,945' GR

TOTAL DEPTH: 6,025' GR

PROJECTED HORIZON: Primary target is Desert Creek at 5,795'.

DRILLING, CASING AND CEMENTING PROGRAM

1. Move in and rig up rotary tools. Notify BLM of time of spud and intent to run surface casing.
2. Drill mouse hole and rat hole. Mix mud prior to spudding well.
3. Drill 12 1/4" hole to \pm 500'. Use fresh water gel/lime spud mud for drilling surface hole. Well bore inclination is not to exceed 1" at 500'. Deviation surveys will be run at least at 250' and at casing point.
4. Run 8 5/8", 24 lb/ft, K-55, STC casing to T.D. Cement with 371 sx (427 ft³) of Class 'G' cement with 2% CaCl₂ and 1/4 lb/sk Celloflake (sufficient slurry volume to circulate cement to surface).
5. W.O.C. a minimum of 4 hours prior to nipping up BOP stack and related equipment. See BOP schematics for details.
6. Ensure that plug has been down at least 8 hours prior to commencing pressure testing procedures. Pressure test BOP to 2,000 psig for 30 minutes. Pressure test manifold and all related equipment to 2,000 psig. Pressure test casing to 1,500 psig for 30 min.
7. Drill out surface casing with 7 7/8" bit. Drill 7 7/8" hole to T.D. Deviation surveys are to be taken every 500' or on a bit trip, whichever occurs first. Maximum allowable deviation will be 5" at T.D., with the maximum allowable rate of change to be 1"/100'.
8. Run open hole logs and evaluate. Drill stem testing will be as per the wellsite geologist's recommendation.

9. If the well is determined to be productive, run 5 1/2", 15.5 lb/ft, K-55, STC casing to T.D. Set stage cementing collar at $\pm 3,500'$. In addition to placing centralizers over potential production zones, they will also be run to cover the aquifer sands of the Navajo and DeChelly formations, as per BLM stipulations. Cement production casing in two stages as per cementing program in 10-point Drilling Plan.
10. Nipple down BOPE. Set 5 1/2" casing slips and cut off casing. Install well head. Release drilling rig and move rig off location.
11. If well is non-productive it will be plugged and abandoned as per State, BLM and Navajo Tribal stipulations.

SE Navajo Canyon 3C Well No. 1
Section 3, Township 40S, Range 25E
240' FNL, 1,570' FWL
San Juan County, Utah

GENERAL COMPLETION PROCEDURE

If the well is determined to be productive, move in completion rig. Perforate, acidize, and test each productive porosity zone. Completion work will commence after Sundry Notice approval is received. Detailed procedures will follow.

PLUGGING AND ABANDONMENT

If the well is determined not to be productive, the well bore will be plugged as per BLM, State and Navajo Tribal requirements.

SE Navajo Canyon 3C Well No. 1
Section 3, Township 40S, Range 25E
240' FNL, 1,570' FWL
San Juan County, Utah

SURFACE USE PLAN

1. EXISTING ROADS

Shown on the attached topographic map are the existing roads in the immediate area. Outlined is the route to be followed from the Hovenweep road. Existing roads will be maintained, as necessary, while operations are in progress.

2. PLANNED ACCESS ROAD (SHOWN IN RED)

The access road will be as shown on the attached topographic map. The road will be flat bladed, constructed 14' in width and will be maintained as necessary to prevent excessive damage to the existing terrain. The road will be upgraded if commercial production is established. Approximately 1.33 miles of new road will be required to be constructed to the location pad, the majority of it following existing seismic lines. This road can be extended to access the proposed Navajo Canyon 331-1 location.

3. LOCATION OF EXISTING WELLS & TANK BATTERIES

There are no other producing wells or facilities in the immediate area.

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

No production facilities are presently in place. Should the well prove to be productive, facilities (tank battery etc) will be sited on the drilling location pad.

5. LOCATION & TYPE OF WATER SUPPLY

Water will be acquired from the San Juan River and will be hauled using Chuska Energy Company water trucks, under State of Utah Division of Water Rights Permit Number 09-1722, (T64794).

6. SOURCE OF CONSTRUCTION MATERIALS

The need for additional construction materials is not anticipated. In the event that additional materials are required, they will be acquired either from private sources or with the approval of the Navajo Nation.

7. METHODS OF HANDLING WASTE MATERIAL

Trash will be contained on location in an enclosed bin. It will be hauled to an approved disposal site or burned on location if a burning permit is granted. The reserve pit will be lined, with an approved 7 mil liner, for containing drilling fluids. The pit will also be fenced. All drilling fluids, cuttings and chemical waste will be stored in the reserve pit. Liquid hydrocarbons will be stored in temporary storage tanks and hauled from location to approved sales facilities. The reserve pit will be emptied, back filled and restored to natural terrain status upon completion of drilling operations.

8. ANCILLARY FACILITIES

Chemical portable toilet facilities will be provided on location during drilling and completion operations. No camps or air strips are planned for this well.

9. WELL SITE LAYOUT

Attached is a surveyor's staking plat, cut and fill requirements and a schematic of the proposed rig layout.

10. PLANS FOR RESTORATION OF THE SURFACE

The location is laid out on a roughly northeast/southwest trend and will require up to 25' of cut in the reserve pit (up to 6' of cut in the southern corner of the location pad) and up to 25' of fill in the western corner of the location pad. Top soil removed from the pad will be stored at the well site. A reserve pit will be built on terrain containing sparse native vegetation. After drilling operations are complete, drilling fluid in the reserve pit will be allowed to evaporate. All remaining fluid in the pit will be disposed of into an approved disposal site. The reserve pit will remain fenced during the evaporation and disposal process. The pit will then be covered and the topsoil will be returned to the disturbed area. The terrain will be returned as near to its original condition as possible. Following operations, rehabilitation seeding will be in accordance with APD/BLM/BIA stipulations. There are no residents in the immediate area of the site.

11. OPERATORS REPRESENTATIVE

CHUSKA ENERGY COMPANY
315 NORTH BEHREND AVENUE
FARMINGTON, NEW MEXICO 87401
LARRY G. SESSIONS

12. CERTIFICATION

I hereby certify that either I, or persons under my direct supervision have inspected the proposed drill site and access route: that I am familiar with the conditions which presently exist: that the statements made in this plan are, to the best of my knowledge, true and correct and that the work planned will be performed by Chuska Energy, or its sub-contractors, in conformity with the terms and conditions under which it is approved.


LARRY G. SESSIONS
Operations Manager

CHUSKA ENERGY COMPANY

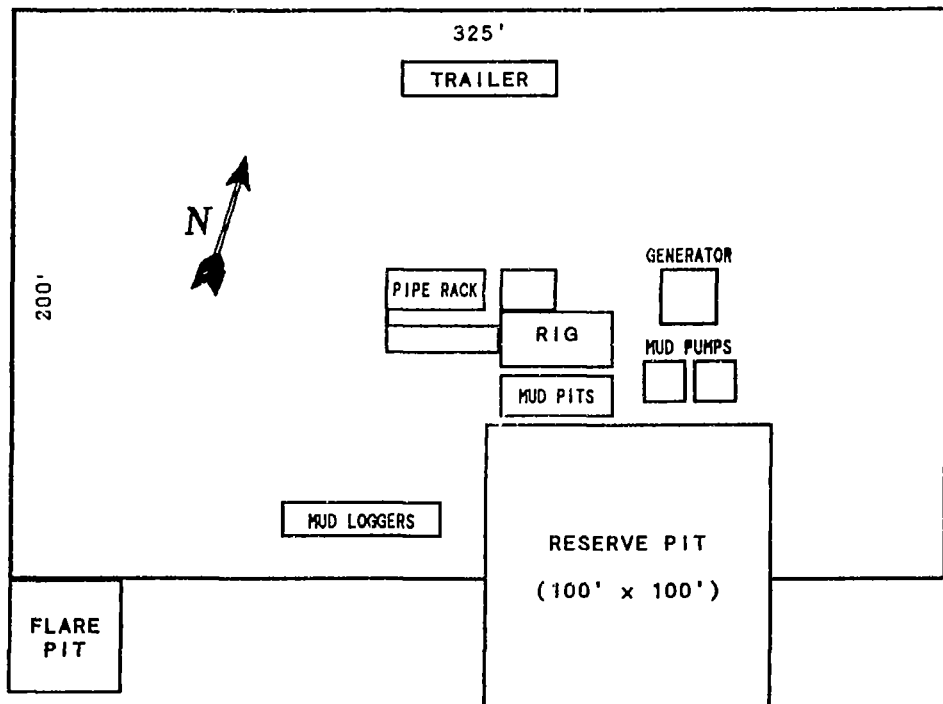
LOCATION LAYOUT

SE Navajo Canyon 3C-1

240' FNL, 1,570' FWL

SECTION 3, TOWNSHIP 40S, RANGE 25E

San Juan COUNTY, Utah

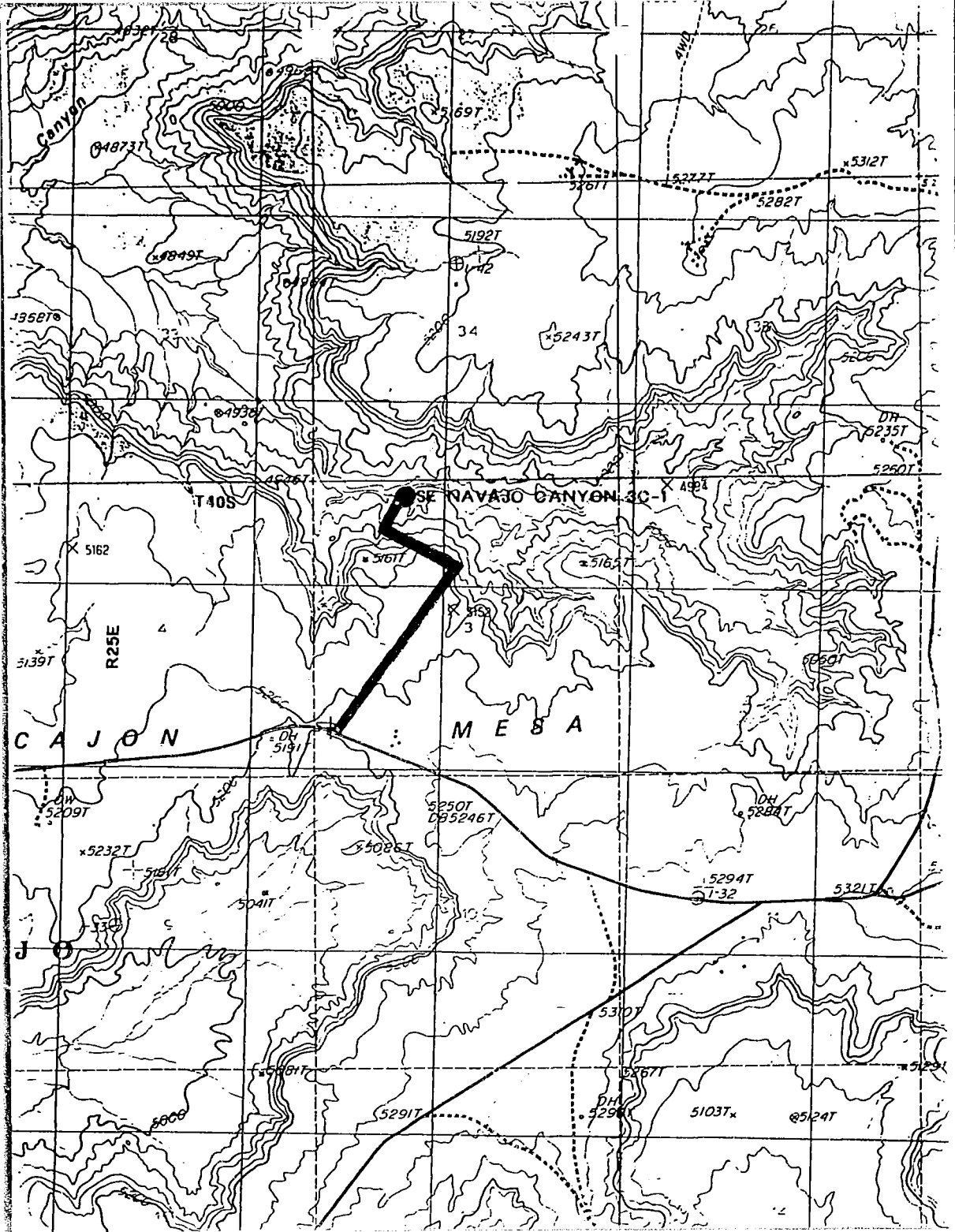


			* SE 1/4	NAVAJO CANYON	3C 1
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

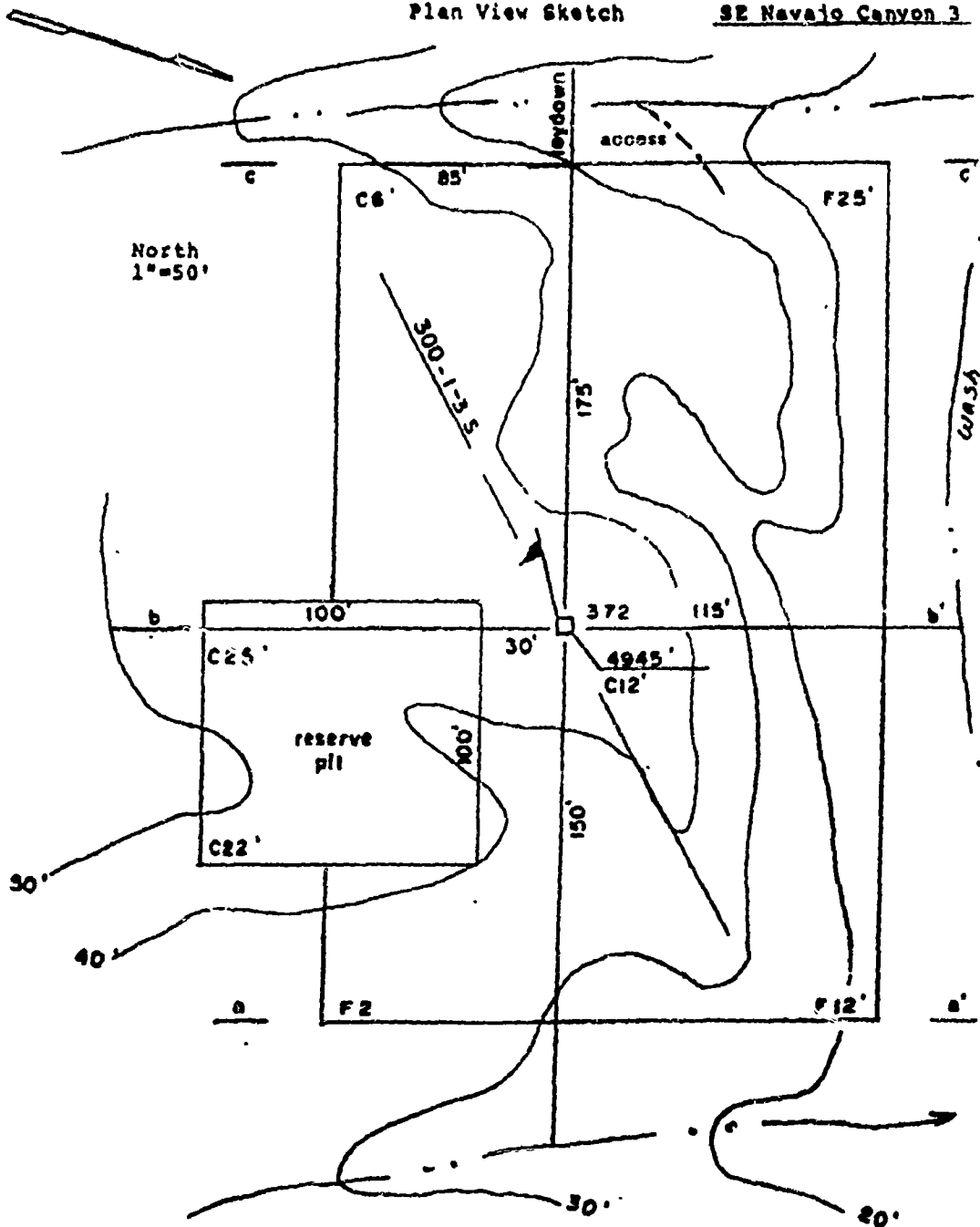
CHUSKA ENERGY COMPANY

ACREAGE POSITION UNDER THE 1987 OPERATING AGREEMENT

CHUSKA: T40S-R25E, SAN JUAN COUNTY, UTAH



Plan View Sketch

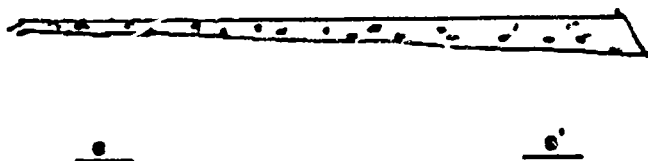
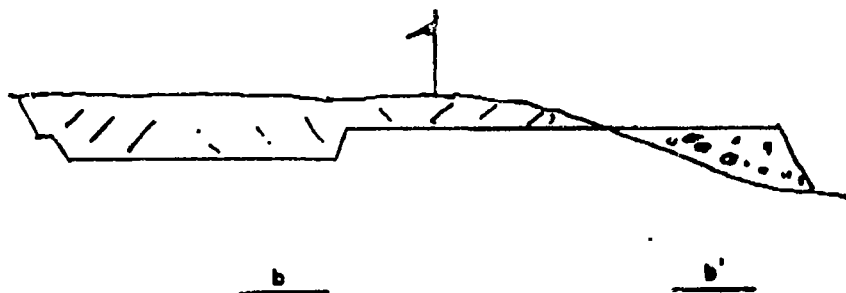
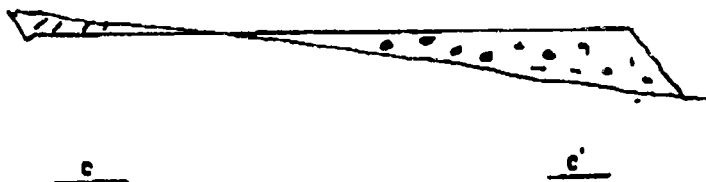
SE Navajo Canyon 3

Cut ////
Fill

Cross Section

SE Navajo Canyon 3 - C - 1

1"=50' Horz. & Vert.



STATE ACTIONS

Mail to:
RDCC Coordinator
116 State Capitol
Salt Lake City, Utah 84114

1. ADMINISTERING STATE AGENCY
OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
2. STATE APPLICATION IDENTIFIER NUMBER:
(assigned by State Clearinghouse)
3. APPROXIMATE DATE PROJECT WILL START:
October 15, 1990
4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS:
(to be sent out by agency in block 1)
Southeastern Utah Association of Governments
5. TYPE OF ACTION: ☐ Lease ☒ Permit ☐ License ☐ Land Acquisition
☐ Land Sale ☐ Land Exchange ☐ Other
6. TITLE OF PROPOSED ACTION:
Application for Permit to Drill
7. DESCRIPTION:
Chuska Energy Company proposes to drill a wildcat well, the SE Navajo Canyon 3C #1, on Navajo Tribal lease number NOG 8702-1116 in San Juan County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S Bureau of Land Management or the Bureau of Indian Affairs is the primary administrative agency in this case and must issue approval to drill before operations can commence.
8. LAND AFFECTED (site location map required) (indicate county)
NE/4, NW/4, Section 3, Township 40 South, Range 25 East, San Juan County, Utah
9. HAS THE LOCAL GOVERNMENT(S) BEEN CONTACTED?
Unknown
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:
No significant impacts are likely to occur
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE:
12. FOR FURTHER INFORMATION, CONTACT:
John Baza
PHONE: 538-5340
13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL
DATE: 8-3-90
Petroleum Engineer

W01186

TEMPORARY

FILING FOR WATER IN THE

STATE OF UTAH

APPLICATION TO APPROPRIATE WATER RIGHTS

RECEIVED Rec by WJ
 Fee Rec 3006
 Receipt # 28801
 Microfilmed _____
 Roll # _____

JUL 05 1990

JUN 29 1990

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements to Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended)

*WATER RIGHT NO 09 - 1722

*APPLICATION NO A T64794

1. *PRIORITY OF RIGHT: June 29, 1990

*FILING DATE: June 29, 1990

2. OWNER INFORMATION

Name(s) Chuska Energy Company

*Interest 100 %

Address P. O. Box 780

City Farmington

State New Mexico

Zip Code 87499

Is the land owned by the applicant? Yes _____ No x (If "No", please explain in EXPLANATORY section)

3. QUANTITY OF WATER:

 cfs and/or 18 ac-ft

4. SOURCE: San Juan River

*DRAINAGE:

which is tributary to

which is tributary to

POINT(S) OF DIVERSION

COUNTY: San Juan

At bridge crossing of highway 262 at the city of Montezuma Creek, Utah

S. 350 ft. & E 1150 ft from NW Cor. Sec 5, T41S, R24E, SLB&M

Description of Diverging Works Water truck and portable pump

*COMMON DESCRIPTION Montezuma Creek, Utah Montezuma Creek Quad

5. POINT(S) OF REDIVERSION

The water will be rediverted from N/A at a point

Description of Diverging Works

6. POINT(S) OF RETURN

The amount of water consumed will be cfs or 18 ac-ft

The amount of water returned will be cfs or N/A ac-ft

The water will be returned to the natural stream/source at a point(s)

7. STORAGE

Reservoir Name N/A Storage Period from to

Capacity ac-ft Inundated Area acres

Height of dam feet

Legal description of inundated area by 40 acre tract(s)

* These items are to be completed by the Division of Water Rights

TEMPORARY

Appropriate

8. List any other water rights which will supplement this application _____

9. NATURE AND PERIOD OF USE.

Irrigation	From _____	to _____
Stock watering	From _____	to _____
Domestic	From _____	to _____
Municipal	From _____	to _____
Mining	From _____	to _____
Power	From _____	to _____
Other Oil & Gas Exploration	From <u>8/1990</u>	to <u>11/1990</u>

10. PURPOSE AND EXTENT OF USE

Irrigation _____ acres Sole supply of _____ acres
Stock watering (number and kind) _____
Domestic _____ Families and/or _____ Persons
Municipal (name) _____
Mining _____ Mining District in the _____ Mine _____
Ores mined _____
Power, Plant name _____ type _____ Capacity _____
Other (describe) Drilling and completion of San Juan County Oil and Gas wells

11. PLACE OF USE

Legal description of place of use by 40 acre tract(s) At drilling sites which are now approved and
at often to be applied for in the future.
NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 5, 141S, R24E, S1B&M

12. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application (Use additional pages of the same size if necessary) The point of diversion is on Navajo Tribal lands. Chuska Energy Company,
an operator for the Navajo Nation, requires water for drilling and completion operations
on Navajo Tribal lands. This application is for a temporary permit to drill and complete
an oil well.

The applicant(s) hereby acknowledges that he/she/they are a citizen(s) of the United States of America or intends to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein at the time of filing, rests with the applicant(s).

Al Merle Myers
Signature of Applicant(s)*

*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its authorized agent, or in the name of the partnership by one of the partners.

Authorized Agent (please print)

Authorized Agent (signature)

TEMPORARY

STATE ENGINEER'S ENDORSEMENT

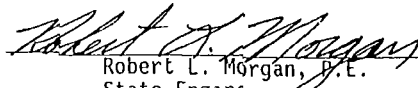
WATER RIGHT NUMBER: 09 - 1722

APPLICATION NO. T64794

1. June 29, 1990 Application received by MP.
 2. July 2, 1990 Application designated for APPROVAL by MP and KLJ.
 - 3 Comments:
-
-

Conditions:

This application is hereby APPROVED, dated July 13, 1990, subject to prior rights and this application will expire on July 13, 1991.


Robert L. Morgan, P.E.
State Engineer

OPERATOR Chuska Energy Company DATE 8-3-90

WELL NAME SE Navajo Canyon 3C #1

SEC NENW 3 T 40S R 05E COUNTY San Juan

43-037-31551
API NUMBER

Indian (2)
TYPE OF LEASE

CHECK OFF:



PLAT



BOND



NEAREST
WELL



LEASE



FIELD



POTASH OR
OIL SHALE

PROCESSING COMMENTS:

1 Water Permit 291722 (TWD-94)

Eruption Location

ROLL X 3 90 -

APPROVAL LETTER:

SPACING:



R615-2-3

N/A

UNIT



R615-3-2



N/A
CAUSE NO. & DATE



R615-3-3

STIPULATIONS:



CHUSKA ENERGY COMPANY

315 N BEHREND • FARMINGTON, NEW MEXICO 87401 • PHONE: (505) 326-5525

SEP 14 1990

10 September, 1990

DIVISION OF
OIL GAS & MINING

State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Building, Suite 350
Salt Lake City, Utah 84180-1203

Attn: Tammy Searing

Ref: Application for Permit to Drill - SE Navajo Canyon 3C-1

Dear Ms Searing

Further to your telephone call of this afternoon, please find attached a land plat indicating Chuska's acreage position in Township 39 South, Range 25E, as requested. This will indicate that Chuska Energy Company controls the acreage to the North of the proposed well site.

Please advise if you require additional information concerning this application. Chuska Energy will greatly appreciate your prompt consideration.

Sincerely,

Christopher S.W. Hill
Petroleum Engineer

CSWH/csw

File: C:\WP\SENAVCAN.3C\UTAHOG

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

CHUSKA ENERGY COMPANY

ACREAGE POSITION UNDER THE 1987 OPERATING AGREEMENT

CHUSKA: T39S-R25E, SAN JUAN COUNTY, UTAH



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84103 1203
801 538 5340

September 17, 1990

Chuska Energy Company
P. O. Box 780
Farmington, New Mexico 87499

Gentlemen.

Re: SE Navajo Canyon 3C #1 - NE NW Sec 3, T. 40S, R. 25E - San Juan County,
Utah - 240' FNL, 1570' FWL

Approval to drill the referenced well is hereby granted in accordance with Rule R615-3-3, Oil and Gas Conservation General Rules.

In addition, the following actions are necessary to fully comply with this approval:

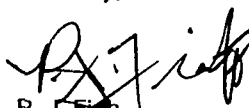
1. Spudding notification within 24 hours after drilling operations commence
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification if it is necessary to plug and abandon the well. Notify R J Firth, Associate Director, (Office) (801) 538-5340, (Home) 571-6068, or Jim Thompson, Lead Inspector, (Home) 298-9318
5. Compliance with the requirements of Rule R615-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules

Page 2
Chuska Energy Company
SE Navajo Canyon 3C #1
September 17, 1990

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. *This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.*

The API number assigned to this well is 43-037-31551.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

tas
Enclosures
cc Bureau of Land Management
J L Thompson
WE14/1-8



CHUSKA ENERGY COMPANY

1775 SHERMAN STREET SUITE 1800 • DENVER, COLORADO 80203 • PHONE (303) 863 7021
FAX # (303) 863 7210

May 17, 1991

Ms. Vicki Kearney
Utah Oil & Gas Commission
355 West North Temple
Three Triad Center
Suite 350
Salt Lake City, Utah
84180-1203

Dear Ms. Kearney:

Please keep all Chuska Energy Company data confidential until further notice.

Thanks,

Herbert P. Mosca
Chuska Staff Geologist

RECEIVED

MAY 20 1991

DIVISION OF
OIL GAS & MINING

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
OIL AND GAS INSPECTION RECORD

OPERATOR: CHUSKA ENERGY COMPANY LEASE: INDIAN
WELL NAME: SE NAVAJO CANYON 3C #1 API: 43-037-31551
SEC/TWP/RNG: 03 40.0 S 25.0 E CONTRACTOR:
COUNTY: SAN JUAN FIELD NAME: WILDCAT

DRILLING/COMPLETION/WORKOVER:

Y	APD	—	WELL SIGN	—	HOUSEKEEPING	—	BOPE
—	SAFETY	—	POLLUTION CNTL	—	SURFACE USE	—	PITS
—	OPERATIONS	—	OTHER				

SHUT-IN / TA :
— WELL SIGN — HOUSEKEEPING — EQUIPMENT * — SAFETY
— OTHER —

ABANDONED:
— MARKER — HOUSEKEEPING — REHAB — OTHER

PRODUCTION:
— WELL SIGN — HOUSEKEEPING — EQUIPMENT * — FACILITIES *
— METERING * — POLLUTION CNTL — PITS — DISPOSAL
— SECURITY — SAFETY — OTHER —

GAS DISPOSITION:
— VENTED/FLARED — SOLD — LEASE USE

LEGEND: Y = YES/SATISFACTORY N = NO/UNSATISFACTORY A = NOT APPLICABLE

*FACILITIES INSPECTED:
LOCATION

REMARKS:
NO SURFACE DISTURBANCE-WELL HAS NOT BEEN DRILLED.

ACTION:

INSPECTOR: GLENN GOODWIN

DATE: 11/16/92

ENTITY ACTION FORM - FORM 6

ADDRESS _____

ACTION CODE	CURRENT ENTITY NO	NEW ENTITY NO	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	11538	43-037-31513	BLACK STEER 25E-1	SWNW	25	39S	25E	SAN JUAN		10-19-93
WELL 1 COMMENTS:											
A	99999	11539	43-037-31495	TOWER #1J-1	NWSE	1	40S	25E	SAN JUAN		10-19-93
WELL 2 COMMENTS:											
A	99999	11540	43-037-31551	SE NAVAJO CYN JC #1	NENW	3	40S	25E	SAN JUAN		10-19-93
WELL 3 COMMENTS:											
A	99999	11541	43-037-31620	CAJON MESA 5L	NWSW	5	40S	25E	SAN JUAN		10-19-93
WELL 4 COMMENTS:											
A	99999	11542	43-037-31621	SOUTH TRIANGLE 7I	NESE	7	40S	25E	SAN JUAN		10-19-93
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

L. CORDOVA (DOGM)

Signature

ADMIN ANALYST

10-19-93

Title

Date

Phone No. ()

FEBRUARY 8, 1994

TO: WELL FILE

FROM: K. M. HEBERTSON

RE: Status, SE Navajo Canyon 3C-1 43-037-31551 3-408-25E

Per telephone conversation with the operator concerning the status of this well, it was determined that the well will not be drilled and the operator has acknowledged that the APD has expired. The operator has been informed that the APD will need to be refiled in order to drill this well at a future date.

As of the above date the APD has been rescinded and the file sent to the LA archives.

KMH